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# HOUSE BILL No. 1703

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 9-23-2-1.5; IC 9-23-3-9.5.

**Synopsis:** Motor vehicle dealer unfair practices. Defines "affiliate of a manufacturer or distributor". Characterizes what constitutes a business dealing between the manufacturer or distributor and the dealer or between the affiliate and the dealer. Provides that it is an unfair practice for a manufacturer or distributor to fix, vary, or attempt to fix or vary, the terms of business dealings between the manufacturer or distributor and the dealer by contract or other means on the condition or requirement that the dealer obtain financing or another financial service from the manufacturer, distributor, or an entity in which the manufacturer or distributor has an interest. Provides that a manufacturer or distributor commits an unfair practice if its affiliate fixes or varies, or attempts to fix or vary, the terms of business dealings between the affiliate and the dealer by contract or other means on the condition or requirement that the dealer obtain financing or another financial service from the affiliate.

**Effective:** Upon passage.

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January 17, 2001, read first time and referred to Committee on Commerce, Economic Development and Technology.

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Introduced

First Regular Session 112th General Assembly (2001)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2000 General Assembly.

## HOUSE BILL No. 1703

A BILL FOR AN ACT to amend the Indiana Code concerning motor vehicles.

*Be it enacted by the General Assembly of the State of Indiana:*

1       SECTION 1. IC 9-13-2-1.5 IS ADDED TO THE INDIANA CODE  
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE  
3 UPON PASSAGE]: **Sec. 1.5. "Affiliate of a manufacturer or**  
4 **distributor", for purposes of IC 9-23-3-9.5, has the meaning set**  
5 **forth in IC 9-23-3-9.5(a).**

6       SECTION 2. IC 9-23-3-9.5 IS ADDED TO THE INDIANA CODE  
7 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE  
8 UPON PASSAGE]: **Sec. 9.5. (a) As used in this section, "affiliate of**  
9 **a manufacturer or distributor" means an entity that controls, is**  
10 **controlled by, or is under common control with, directly or**  
11 **indirectly, the manufacturer or distributor.**

12       **(b) For purposes of this section, business dealings between the**  
13 **manufacturer or distributor and the dealer, or between the affiliate**  
14 **of a manufacturer or distributor and the dealer, include the terms**  
15 **and availability of financing or another financial service in**  
16 **connection with the sale or lease of a motor vehicle by the dealer.**

17       **(c) It is an unfair practice for a manufacturer or distributor to**

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IN 1703—LS 7802/DI 94+



1 fix, vary, or attempt to fix or vary, the terms of business dealings  
2 between the manufacturer or distributor and the dealer by  
3 contract or other means on the condition or requirement that the  
4 dealer obtain financing or another financial service from the:

5 (1) manufacturer;

6 (2) distributor; or

7 (3) an entity in which the manufacturer or distributor has an  
8 interest.

9 (d) A manufacturer or distributor commits an unfair practice  
10 if an affiliate of a manufacturer or distributor fixes, varies, or  
11 attempts to fix or vary, the terms of business dealings between the  
12 affiliate of the manufacturer or distributor and the dealer by  
13 contract or other means on the condition or requirement that the  
14 dealer obtain financing or another financial service from the  
15 affiliate of the manufacturer or distributor.

16 SECTION 3. An emergency is declared for this act.

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